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11. (C) Summary: China believes multilateral arrangements in the Asia-Pacific region foster trust and stabilize relations, creating the peaceful diplomatic and security environment China considers necessary to speed its domestic development. China now finds useful an ASEAN-led regional architecture, despite some frustrations with ASEAN leadership. However, though unwilling to push ASEAN toward such a model, China sees a natural evolution toward a less ASEAN-led architecture. Chinese interlocutors insist the various multilateral regional institutions are generally complementary. China views ARF as the best forum for security discussion, the ASEAN Plus Three (APT) as the best vehicle for regional integration, the East Asia Summit (EAS) as a forum for strategic dialogue, and APEC as a forum for engaging the United States and extending China's economic reach. Chinese officials say China does not seek to lessen U.S. influence in Asia. Nonetheless, some Chinese approaches aim to strengthen multilateral fora that may lessen the influence of U.S. bilateral alliances and other relationships. Some contacts point to the growing "need for improving, streamlining, and reforming regional architecture." End Summary.

Multilateralism's Benefits

¶2. (C) Academic and Chinese Government contacts often say multilateral institutions and regional groupings are a key element of China's foreign policy. Ministry of State Security-affiliated China Institutes of Contemporary International Relations (CICIR) scholar Chen Yurong (and many others) say a "balanced, multilateral system" furthers China's goal of fostering a more peaceful environment for economic development and dampening fears of its rise. CICIR's Zhai Kun noted separately that multilateral and regional institutions enable China's participation in the

international system and serve mutual interests. That is, Asia-Pacific countries seek to "enmesh" China into multilateral arrangements and Chinese leaders generally believe a more "multilateralized" China will improve political relations with its neighbors.

China's Political Flexibility

13. (C) Tactics such as Chinese inclusiveness and open acceptance even of pariahs such as Burma and North Korea, its support of non-interference and its emphasis on consensus and sovereignty all slowly cultivate greater trust of Chinese intentions in the region. CICIR's Zhang Xuegang contrasted China's acceptance of Asia's consensus-based, gradualist multilateralism with Western impatience and desire for speedy change. Noting the U.S. refusal to sign the Treaty of Amity and Cooperation (TAC), he said "signing a non-substantive agreement like the TAC is not a problem for China." Sectoral and flexible approaches to China-ASEAN FTA negotiations are popular with ASEAN countries, although they do not necessarily result in high-quality agreements. According to MFA Policy Planning Department Counselor Tang Guocai, China supports the evolving, unambitious trajectory of a "flexible, gradual and comfortable" regional architecture.

ASEAN Leadership: OK with China...for Now

¶4. (C) China values ASEAN's lead role in the regional multilateral architecture. ASEAN leadership dampens competition in Northeast Asia while building ASEAN's trust of Chinese intentions, scholars and MFA officials suggest.

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Furthermore, some experts say economic and socio-cultural integration via both China-ASEAN and APT arrangements boost development in China's southern provinces. MFA-affiliated China Institute of International Studies (CIIS) scholar Shen Shishun noted continued pressure exerted by southern provinces on Beijing for further southward economic integration and a stable China-ASEAN political and security relationship.

¶5. (C) Chinese MFA officials and scholars acknowledge the asymmetrical nature of an ASEAN-led regional architecture, comparing the relationship to "small horses pulling a big cart." CIIS' Shen noted China's role of "pushing the cart from behind" as a "leader rather than an organizer." Yet China so far remains comfortable with this role and does not actively seek to alter the current political dynamic. However, scholars and some MFA officials admit to frustration with the inadequacies of ASEAN-led institutions. They believe a movement away from an ASEAN-led architecture will naturally develop as major power relations improve. This development is "easier now than five to ten years ago," according to MFA Policy Planning Department Counselor Tang Guocai. However, China remains reluctant for now to push ASEAN in this direction.

Complementary Arrangements...

16. (C) Nearly all scholars and MFA officials insist the overlapping agendas of the growing number of Asian and Asia-Pacific regional institutions (ASEAN, ASEAN's Plus One Dialogue Partnerships, APT, EAS, ASEAN Regional Forum, APEC and a potential Northeast Asia security grouping) remain largely complementary. According to CICIR's Zhai Kun, the proliferation of regional institutions is "inevitable in Asia" and avoiding some overlap is "impossible." In any case, overlap is "comfortable for China," Zhai said.

...Contrasting Missions

17. (C) CICIR's Zhang Xuegang said the ASEAN Regional Forum (ARF) remains the best regional institution for security because of the participation of the United States. He notes, however, that ARF overaps with less comprehensive security agendas in APT and EAS. Other interlocutors, including MFA International Organizations Department APEC Division Director Geng Shuang, suggested that many security issues should move from APEC to ARF. Officials have told us that Taiwan's participation in APEC is the fundamental reason for China's objection to APEC's discussion of security issues, which China believes should be reserved for sovereign states. Chinese officials also distinguish the roles of APT and the East Asia Summit (EAS). MFA Asia Department Deputy Director General Yang Yanyi stated that APT focuses on regional integration and "community-building," while EAS serves as a "strategic dialogue," despite a "very confused" agenda.

APEC's Role

18. (C) MFA APEC Division Director Geng said APEC widens China's economic and political reach beyond East Asia. Though APEC could be considered a "talk-shop," the U.S. presence gives it an important political value. Many Chinese scholars also note that APEC's strength derives from the participation of the United States, but say APEC remains less well-suited than APT for concrete economic integration and community-building. Pressed on China's relative prioritization of APEC and APT, observers note President Hu's attendance at the APEC Leaders' Meeting and Premier Wen's (lower ranking) attendance at ASEAN Summits. Geng further contrasted APEC's technical cooperation with APT's focus on assistance.

What is Asian Regional Integration?

 $\P9.$ (C) Chinese experts and officials have argued that Asian BEIJING 00000900 003 OF 003

integration will not resemble the European model, but agree little on how Asian integration will occur. MFA officials and scholars, reflecting the lack of a coherent Chinese strategy, give different answers regarding the aim (economic development, trade facilitation, democratic development, or common foreign policies), current pace or even the composition (ASEAN-China, APT, EAS or possibly a trans-Pacific arrangement) of Asian regional integration. Nonetheless, most tend to support either the ASEAN-China arrangement or APT as the best vehicle for economic integration. Although foreign and security policy synchronization is distant, East Asian integration is inevitable, Chinese scholars say. CIIS' Shen and others say despite disagreement on its composition and comprehensiveness, a distinctly pan-Asian integration process will inevitably occur.

Role of the United States in the Regional Architecture

- 110. (C) MFA Officials and scholars often claim that China does not wish to exclude the United States from Asian multilateral institutions, lessen U.S. influence in Asia, or dominate pan-Asian cooperation. Foreign Affairs University Professor Qin Yaqing said an active U.S. presence in Southeast Asia dampens ASEAN suspicion of China and Japan. Furthermore, U.S.-China cooperation in ASEAN-led institutions increases ASEAN's trust of China. CICIR scholars Zhai and Zhang further emphasized that the United States remains crucial to any effective strategic and security forum in Asia.
- 111. (C) Notwithstanding these claims, Chinese approaches seek in some ways to lessen U.S. influence. Senior MFA officials and scholars see inclusive Northeast Asia security cooperation (such as the Northeast Asia Peace and Security Mechanism, or NEAPSM) as an alternative to U.S. bilateral

alliances. Reliance on APT as the main vehicle for East Asian economic integration also implicitly reduces U.S. influence on the evolving regional economic framework. Though some officials such as MFA Asia Department ASEAN Division Deputy Director Zhu Jun question the depth of economic integration and political cooperation within pan-Asian arrangements, the view that trade patterns and political coordination continue to evolve in pan-Asian ways that lessen U.S. influence is more commonly held.

Evolving Chinese Attitudes?

112. (C) China's approach to Asian multilateralism may be evolving along with its major power status. Developing politically symbolic relationships within Asia remains a key Chinese objective. But scholars such as CICIR's Zhai and CIIS' Shen say as China's interests grow and its economic and political reach expands, the Chinese approach focuses less on the optics of cooperation and more on substantive gains. However, an evolving regional architecture cannot compromise core Chinese interests, namely Taiwan, or pressure Chinese behavior in directions that threaten its core interests.

What Next?

13. (C) Many scholars and MFA officials note China's interest in new arrangements that track closely with China's regional priorities. In referring to potential new trans-Pacific arrangements such as NEAPSM, a proposal for an Asian G-8 and a U.S.-China-Japan dialogue, MFA Counselor Tang pointed to the "necessity for improving, streamlining and reforming regional architecture." Scholars note tense Sino-Japanese relations and other regional rivalries as obstacles to pan-Asian integration as well as the efficacy of ASEAN leadership. Complaining by scholars aside, there des not appear to be any short-term stimulus for Chinese action to change this dynamic. While China seems willing to exlore new options outside the ASEAN umbrella, China is not willing to push ASEAN away from its leadership role in existing ASEAN-led multilateral arrangements.